

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1596-01
Bill No.: SB 461
Subject: Education, Elementary and Secondary; Teachers
Type: Original
Date: February 24, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
School Districts	(\$50,000 to \$100,000)	(\$50,000 to \$100,000)	(\$50,000 to \$100,000)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator** indicated there would be no fiscal impact on the Courts as a result of this proposal.

Officials from the **St Louis Public Schools** indicated there would be no fiscal impact on their district.

Officials from the **Secretary of State's Office (SOS)** assumed the rules, regulations and forms issued by the Department of Elementary and Secondary Education could require as many as 10 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the *Missouri Register* as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. These costs are estimated. The estimated cost of a page in the *Missouri Register* is \$23. The estimated cost of a page in the *Code of State Regulations* is \$27. The actual costs could be more or less the SOS's estimated cost of \$615 for FY 2004. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations

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ASSUMPTION (continued)

related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Elementary and Secondary Education (DESE)** indicate there would be no fiscal impact from this proposed legislation to their agency. In estimating costs to school districts, DESE stated that this proposal appears to place termination hearing duties in the hands of a hearing officer (rather than the local school board) who shall not be a resident of the school district. The school district is required to pay the per diem of the hearing officer, not to exceed \$400, and the expenses of the hearing officer. DESE further assumes that transcript costs are not new costs to the district. DESE assume 50-100 hearings per year for two days each at \$400 per day and expenses of \$100 per day for a total annual cost of between \$50,000 and \$100,000.

Officials from the **Parkway C-2 School District** estimate that legal fees would increase \$15,000 to \$20,000 per year.

Officials from the **Kansas City Missouri School District (KCMSD)** assumes that the proposal adds several additional categories of expense to KCMSD. The hearing office, court recorder, transcription of the hearing proceedings, and copying the documents could cost between \$5,000 - \$10,000 per teacher. This does not include the additional cost of prolonging the time a teacher is suspended with pay.

Oversight assumes that the school board or superintendent of schools will give a written warning 120 days before service of notice of charges in order that the parties involved may resolve the matter. The proposed legislation does not state that the teacher would be required to be placed on paid leave during that time. **Oversight** further assumes that as a result of the proposal the only new costs to a school district would include the hearing officer costs and the costs of benefits required to be paid to the teacher if the teacher is suspended during the hearing process.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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SCHOOL DISTRICTS

Cost - Hearing Office Per Diem and
 Expenses and Benefits to Teachers
 During Suspension

(\$50,000 to <u>\$100,000</u>)	(\$50,000 to <u>\$100,000</u>)	(\$50,000 to <u>\$100,000</u>)
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**ESTIMATED NET EFFECT ON
 SCHOOL DISTRICTS**

<u>(\$50,000 to \$100,000)</u>	<u>(\$50,000 to \$100,000)</u>	<u>(\$50,000 to \$100,000)</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal alters provisions regarding teacher termination hearings. Current law permits local school boards to dismiss tenured teachers for certain causes after following certain administrative procedures. This proposal would allow teachers to request an administrative hearing at which a hearing officer would decide whether or not the teacher will be dismissed.

The proposal requires school boards or superintendents to notify teachers at least 120 days before formal notice is served, instead of the current 30 days notice requirement. Under the provisions of this proposal, should a school board suspend a teacher until a decision is rendered, that teacher is entitled to receive salary and benefits during the suspension. Currently, teachers are only guaranteed salary. Presently, either the teacher or the local school board may request a hearing. This proposal permits only the teacher to request a hearing.

This proposal outlines a procedure for the selection of a hearing officer and directs the state board to promulgate rules for the hearings. The proposal specifies that the hearing will be open
DESCRIPTION

to the public unless the teacher requests that the hearing be closed. Within 30 days after the hearing, the hearing officer must render a decision, which shall be final unless appealed

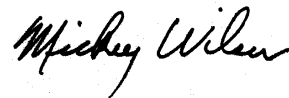
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Office of Secretary of State
Administrative Rules Division
Office of State Courts Administrator
Kansas City, Missouri School District
St Louis Public Schools
Parkway C-2 School District

NOT RESPONDING

Nixa R-II School District



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